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CHPC Testimony on the Hudson Yards Redevelopment Program

Delivered to the City Council Zoning and Franchises Subcommittee

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Good Afternoon. I am Frank Braconi, Executive Director of the Citizens Housing and Planning Council. CHPC is a non-profit policy research organization, founded in 1937, dedicated to improving housing and neighborhood conditions throughout the five boroughs.

First of all we would like to congratulate the Department of City Planning and the MTA for their bold vision and imaginative planning efforts. The Hudson Yards Redevelopment Program represents one of the most ambitious planning efforts New York City has undertaken in many years. If these plans are realized, it will help to ensure the future vitality of Midtown Manhattan and the continued economic preeminence of the New York metropolitan area.

Over the past six months, as the project has worked its way through the ULURP process, many important changes have been made to the original plan. The Inclusionary Zoning Program has been significantly expanded and could assist in the creation of up to 2,600 affordable housing units. Our organization believes that an expanded voluntary inclusionary housing program can be a useful part of the city's efforts to create affordable housing and we are encouraged to see the technique made such an integral part of this plan. In the Hudson Yards district, those 2,600 inclusionary units represent nearly 20 percent of the total number of housing units that are anticipated. Through inclusionary housing and other techniques, including existing and customized HPD programs, we would like to see at least one-third of the housing units created in the area made available to households with a range of incomes below those required for market-rate housing. This will be essentially a new neighborhood, and we believe that creating it for a full range of New Yorkers will contribute to its cohesiveness and vitality.

We do have a few concerns regarding the housing components of the plan, however. In particular, we are concerned that the city has not yet committed to extending the 421-a exclusion zone to cover the majority of the potential residential sites in the area. We do not believe that market-rate housing, without an affordable component, would need as-of-right tax incentives to be financially viable. Extending the exclusion zone would encourage developers to

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incorporate affordable housing. To further ensure that the affordability goals are met, we suggest that the inclusionary housing text be amended to permit inclusionary units to count toward 421-a and other program requirements. In addition, we urge the relevant agencies to immediately identify publicly owned sites in the area that can be reserved for future affordable housing development, to specify what form of affordable housing would best be built on them, and to begin the process of disposing of them to appropriate for-profit or not-for-profit developers.

Despite the progress that has been made on the affordability issue, we believe that additional flexibility should be added to the proposed rezoning and land use plan. We understand and endorse the city's intention to preserve some of the larger sites for commercial expansion. However, the viability of large-scale commercial development in the Hudson Yards district is entirely dependent on the extension of the #7 subway line, a project which still has significant hurdles to overcome. We are concerned that if the subway project is not undertaken, zoning that precludes significant residential development will become an obstacle to the redevelopment of the area. For example, in Subareas A-2 (Four Corners) and A-3 (Northern Blocks), which straddle the Hudson Boulevard between Tenth and Eleventh Avenues, proposed C6-4 zoning allows 6.0 residential FAR only when such development is accompanied by the development of at least 18.0 commercial FAR. On sites over 69,000 square feet, residential development will only be allowed to precede commercial development providing 50,000 square feet of lot space is reserved for commercial development and the required commercial FAR is still attainable on the same site. In Subarea A-1 (Eastern Rail Yard), the proposed special C6-4 zone allows a residential FAR of only 1.0 with a commercial FAR of 9.0. Such restrictions represent a significant departure from the city's usual zoning policy for commercial districts.

To counter this inflexibility, CHPC recommends a statutory seven-year sunset on all residential restrictions within commercial zones of the plan. After a period of seven years from the passage of the proposed zoning text, the restrictions on residential development in specially designated commercial zones would need to be renewed by the Planning Commission and City Council, or else would revert to a standard variant of the corresponding commercial zones. We do not believe that such a provision would jeopardize the infrastructure financing or the commercial prospects for the district; if seven years from now, the subway expansion is completed or well underway, no developers or elected officials will be interested in undercutting the commercial potential of those sites. The expiration of the residential restrictions will only be desirable if the anticipated transportation improvements are unrealized, in which case residential development will be an attractive redevelopment alternative.

Along with housing and zoning issues, CHPC also recommends that greater attention be paid to design issues along Eleventh Avenue. As currently planned, there will be no retail uses on or within 100 feet of Eleventh Avenue except on 34th Street. Even if it is anticipated that convention-goers will access retail uses along Hudson Boulevard, there will still be a need to make Eleventh Avenue more inviting. Specifically, CHPC recommends that the Council amend the last paragraph of section 93-14 in the zoning text. In addition, we urge the Council to amend Map 2 in Appendix A and adopt text to include a 50 percent retail requirement along Eleventh Avenue. A minimum 50 percent retail requirement would allow for the possibility of small-scale theatres, museums, eating establishments, or other uses beneficial to convention-goers and/or convention workers. In addition, by encouraging street traffic, it will add support for a successful convention center and prevent an inhospitable Eleventh Avenue from detracting from the entire district and support a successful Convention Center.

With the small modifications I have discussed, we urge the City Council to approve this exciting zoning plan.